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INFO OCT-01 ISO-00 CG-00 DOTE-00 NSC-05 NSCE-00 SS-15

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL NHA TRANG

AMCONSUL HONG KONG

USDEL JEC PARIS

DEPT OF THE TREASURY

INFO USSAGE NAKHON PHANOM TH

CINCPAC HONO HI

COMDT COGARD WASHDC

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: OCTOBER 22 EA PRESS SUMMARY

1. INDOCHINA

US EMBASSY SAIGON DENIES AS TOTALLY FALSE VC CHARGES THAT

CIA IS INVOLVED IN ANTI-THIEU DEMONSTRATIONS. ACCUSES

NVN OF "OBVIOUS ATTEMPT TO EXPOLIT DISSENT." STATES THAT

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US DOES NOT ENCOURAGE OR SUPPORT ANY SVN POLITICAL FACTION

(AP PHINQ, CHITRIB; UPI, GLOBE). CITES COMMUNIST MIL ATTACKS AS NVN ATTEMPT TO INCREASE ECON SUFFERING AND EXPLOIT RESULTING MISERY. COMMUNISTS CHARGE US HAS "DOUBLE-FACED" POLICY: PUSHING GVN TO MAKE REFORMS TO STRENGTHEN ITS POSITION, AND AT SAME TIME TRYING TO DEVELOP INFLUENCE WITH OPPOSITION IN CASE THIEU IS OVERTHROWN. SOME ANALYSTS BELIEVE VC MAY BE LAYING GROUNDWORK TO REFUSE COOPERATION WITH SUCCESSOR, IF THIEU GOES, BY CLAIMING US WAS BEHIND CHANGE (WP).

FOUR SAIGON NEWSPAPERS SEIZED, APPARENTLY FOR PRINTING LETTER BY RC STUDENT TO STUDENTS IN NVN CALLING FOR HELP IN RECONCILING WARRING FACTIONS. STAFF MEMBERS SAY LETTER WAS GIVEN SAIGON ARCHBISHOP FOR DELIVERY TO RC COADJUTOR OF HANOI WHEN THEY MEET AT PRESENT VATICAN SYNOD. MEMBERS OF ONE PAPER BELIEVE ITS SEIZURE MAY HAVE BEEN DUE TO FRONT-PAGE COVERAGE OF SUNDAY'S DEMONSTRATIONS (WP).

WP GIVES FIVE-COLUMN SPREAD TO AP MOUTH-OPEN PHOTO OF NGO BA THANH, SURROUNDED BY MONKS AND NUNS, PROTESTING BARBED WIRE PLACED BY POLICE "TO BREAK UP HER DEMONSTRATION."

VC BLOW UP TWO SPANS OF BRIDGE 13 MILES NE OF SAIGON, CUT TRAFFIC TO BIEN HOA AIR BASE. MIL SPOKESMAN SAYS TRAFFIC WILL RESUME IN TWO DAYS (UPI, GLOBE). GVN SOURCES SAY BRIDGE BLOWN BY VC FROGMEN USING RAFT WITH EXPLOSIVES (AP, GLOBE).

IN BALTIMORE SPEECH, RONALD YOUNG, AFSC OFFICIAL, WHO RETURNED FROM THIRD VISIT TO BOTH NORTH AND SOUTH VN, SAYS FIGHTING LEVEL IN AUG HIGHER THAN AT ANY TIME SINCE C-F. STATES THAT COMBAT INSTIGATED BY PRG TO REGAIN LAND GVN "SEIZED" IN YEAR SINCE C-F. RELATES ENCOURAGING SIGNS THAT PEACE EFFORTS MIGHT BE TAKING EFFECT: RC LEADERS CRITICIZE GVN AND VATICAN EMISSARY "NOW SAYS THE SAIGON GOVERNMENT IS DOOMED"; BUDDHIST LEADERS PROMOTE C-F BY "ARRANGING NIGHTLY MEETINGS BETWEEN SOLDIERS" OF PRG AND SVN; AND WAR ISSUE REASSERTS ITSELF IN US WITH TREND IN CONGRESS TO CUT MIL AID. LATTER, ACCORDING TO YOUNG, WILL HAVE UNCLASSIFIED

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TWO GOOD EFFECTS ON GVN: IT WILL KEEP SVN FROM LAUNCHING OFFENSIVES IN VIOLATION OF C-F, AND WILL FORCE IT TO "PAY ATTENTION TO ITS OWN PEOPLE." YOUNG'S MOST RECENT VISIT WAS TO TOUR FRIENDS' FACILITIES AND TO CARRY MED AND AGRIC SUPPLIES TO BOTH SIDES OF DMZ (SUN).

LAT'S MCARTHUR FROM SAIGON WRITES OF UN AID. POINTS OUT THAT UN OFFICE IN SAIGON ADMINISTERS SIGNIFICANT PROGRAM

WHILE HANOI - "BY ITS OWN CHOICE" - GETS ONLY PITTANCE. RESULT IS "PLEASANT PLUS" FOR GVN. BEFORE C-F THERE WERE ONLY 20 UN PEOPLE IN SVN, MOSTLY WITH WHO; NOW THERE ARE OVER 70. UN HOPES FOR MASSIVE INDOCHINA PROGRAM WERE DASHED BY CONTINUING WARFARE, BUT PRESENCE GOES ON WITH MORE MODEST PLANS AND SVN WELCOME. NVN "REPLIED WITH ONLY A CAUTIOUS NIBBLE," AND AID TO NORTH AND TO PRG LIMITED TO RELATIVELY SMALL UNICEF SHIPMENTS OF MEDICINES AND SIMILAR ITEMS. MCARTHUR DESCRIBES FIRST SHIPMENT TO DONG HA, NOTES THERE ARE STILL NO UN REPRESENTATIVES IN HANOI THOUGH UNICEF OFFICIALS HAVE BEEN ALLOWED "OCCASIONAL VISITS." MEANWHILE, UN IN SVN IS HALF-WAY THROUGH TEN MILLION DOL FIVE-YR AID PROGRAM AND IS MAPPING 24 MILLION DOL PROGRAM FOR NEXT FIVE YEARS.

MCARTHUR FINDS PROGRAMS "MINISCULE" COMPARED TO US AID, BUT UN EXPERTS HOPE FOR SIGNIFICANT RESULTS IN PROJECTS SUCH AS SPEEDUP OF INTERNATIONAL MAIL DELIVERY, STUDY OF

MOVEMENT AND HANDLING OF RICE CROP AND PLANNED CONSTRUCTION OF NEW RICE STORAGE FACILITY WITH INTERNATIONAL AND ADB HELP THAT COULD TURN SVN INTO "RICE EXPORTER WITHIN ONE YEAR." UN PROGRAM IN SVN HEADED BY FORMER USAID OFFICIAL PIERRE SALES, WHO STATES PROJECTS NOT "TERRIBLY DRAMATIC" BUT PAYOFF HOPED FOR AND UN IS TRYING TO STRENGTHEN GVN PLANNING PROCESS. FORTY PROJECTS NOW BEING WORKED ON BY EXPERTS FROM 23 COUNTRIES, AND 15 MORE PROJECTS ARE IN PLANNING STAGE.

GKR COMMAND SAYS TROOPS BREAK THROUGH INSURGENT LINES AFTER THREE WEEKS OF HEAVY FIGHTING, KILL 300 REBELS (AP, WP) AND LINK-UP WITH ISOLATED OUTPOST EIGHT MILES SW OF KOMPONG CHHNANG. OUTPOST SURROUNDED SINCE LATE SEPT
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(CHITRIB).

2. JAPAN

SPEAKING TO FOREIGN CORRESPONDENT'S CLUB OF JAPAN TUESDAY, TANAKA EXPRESSED CONFIDENCE THERE ARE NO US NUCLEAR WEAPONS IN JAPAN (REUTER). PREMIER STRESSED THAT JAPAN HAS DECLARED PRINCIPLES OF NOT POSSESSING, MANUFACTURING OR ALLOWING US TO BRING NUKES IN, AND US HAS PLEDGED TO HONOR THESE PRINCIPLES AND NOT ENTER THEM INTO JAPAN; ADDED US HAS ALSO PLEDGED THAT IF AND WHEN IT BRINGS NUKES INTO JAPAN, IT WILL HAVE PRIOR CONSULTATIONS WITH GOJ UNDER MST.

OCT 21 ANTI-WAR DAY RALLIES IN JAPAN RECEIVED HEAVY PRESS

COVERAGE. PEACEFUL NATURE OF NATIONWIDE DEMONSTRATIONS AND TURNOUTS WELL BELOW SPONSORS' PREDICTIONS WERE VIEWED AS ALLAYING SOME CONCERN THAT RECENT ALLEGATIONS OF US INTRODUCTION OF NUKES INTO JAPANESE PORTS COULD SPARK PROTESTS SERIOUS ENOUGH TO UPSET PLANS FOR FORD VISIT IN NOVEMBER.

IN VIEW OF "LIGHT-HEARTED, CARNIVAL MOOD" AT "BOISTEROUS BUT PEACEFUL" RALLY IN TOKYO, HALLORAN (NYT) DOUBTS PROGRESS WAS MADE TOWARD SPONSORS' PURPOSE OF BUILDING UP ATMOSPHERE OF "VOCAL OPPOSITION" ON SCALE SUFFICIENT TO FORCE CANCELLATION OF FORD VISIT. RESPONSE TO COMMUNIST SPEAKER RECALLING "LESSON OF HISTORY OF 1960 WAS TEPID." RALLY, HOWEVER, WAS BIGGEST SINCE END OF VN WAR, BECAUSE OF NUKES ISSUE. WHILE GOJ DENIES NUKES (IF INTRODUCED) WERE BROUGHT IN WITH GOJ PERMISSION, THERE IS EVIDENCE OF SECRET TRANSIT AGREEMENT," ACCORDING HALLORAN ULTRA-LEFT RADICAL FACTIONS DEMONSTRATING ELSEWHERE IN TOKYO WERE MORE CONCERNED WITH FACTIONAL RIVALRIES THAN FORD VISIT OR NUKES.

OBERDORFER (WP) QUOTES COMMUNIST SPOKESMAN MITSUHIRO KANEKO THAT OPPOSITION WOULD NOT TRY TO STOP FORD VISIT 'IN PHYSICAL SENSE' BUT WOULD TRY CREATE ATMOSPHERE WHICH WOULD LEAD TO US CANCELLATION OF VISIT. OBERDORFER REPORTS NO ONE HAS GOOD WORD TO SAY ABOUT NUKES, BUT UNCLASSIFIED

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MASS DAILIES AND OPINION LEADERS HAVE YET TO TAKE CLEAR STAND ON FORD VISIT. MEANTIME, USHIBA WAS NAMED CHAIRMAN OF OFFICIAL RECEPTION COMMITTEE FOR FORD VISIT.

ACCORDING GLOBE'S STORIN, PEACEFUL NATURE OF DEMONSTRATIONS AND RELATIVELY SMALL TURNOUT APPEARED TO RELIEVE GOJ OF CONCERN THAT RALLY MIGHT SPARK MASS OPPOSITION WHICH COULD FORCE POSTPONEMENT OF FORD VISIT.

YATES (CHITRIB) HIGHLIGHTS NON-VIOLENT NATURE OF RALLIES. IN ONE AT MEIJI PARK, SPONSORS CALLED FOR US WITHDRAWAL FROM ASIA AND CANCELLATION OF FORD VISIT. PROTESTERS THEN MARCHED PEACEFULLY PAST AMERICAN EMBASSY CONSTRUCTION SITE AND DIET. SEVEN WERE ARRESTED ON MINOR CHARGES.

SUN HAS AP WIREPHOTO OF DEMONSTRATORS. SEIDEN REPORTS POLICE ESTIMATE OF 30,000 PARTICIPANTS IN TOKYO, ON WHICH BASIS RELIABLE DAILY PRESS PROJECTED NATIONWIDE TURNOUT WELL UNDER ONE MILLION. (RALLY SPONSORS CLAIMED TURNOUT OF 2.2 MILLION NATIONWIDE, AND 70,000 IN TOKYO).

PHINQ HAS UPI REPORT ON NATIONWIDE RALLIES BY TENS OF THOUSANDS OF LEFTISTS PROTESTING FORD VISIT. NATIONAL RR LOCOMOTIVE POWER WORKERS UNION REFUSED TO DELIVER GASOLINE TO US MILITARY BASES FOR "ONE OR TWO DAYS" TO MARK ANTI-WAR DAY, AND RAN TRAINS TO YOKOSUKA AND IWAKUNI BASES AT REDUCED SPEEDS.

GLOBE'S STORIN (OCT 20) THINKS KABUKI -- DESCRIBED BY JAPANESE DRAMA CRITIC AS "PLAUSIBLE LIE" -- MIGHT EXPLAIN JAPANESE ATTITUDES ON CURRENT NUKES ISSUE. GOJ MAY BE PROVIDING JAPANESE PEOPLE KABUKI-STYLE "FANTICIZED PICTURE OF NUCLEAR AGE REALITY." DIPLOMATS AND NEWSMEN HAVE LITTLE DOUBT US BRINGS NUKES INTO JAPANESE PORTS, IF NOT ACTUALLY STORING THEM IN JAPAN; BUT GOJ SPOKESMEN INSIST US OBSERVES JAPAN'S ANTI-NUKES PRINCIPLES, INCLUDING NON-INTRODUCTION.

LAROCQUE TESTIMONY HAS GENERATED ADDITIONAL ELEMENT UNCLASSIFIED

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OF DISBELIEF STRETCHING CREDIBILITY OF THIS KABUKI. UNDER HEAVY QUESTIONING, SOME WEAKENING OF TANAKA GOVT KABUKI PERFORMANCE WAS DETECTED.

FOR MOMENT, HOWEVER, GOJ SEEMS WILLING TO RISK "KABUKI APPROACH" WHICH KEEPS JAPAN UNDER US NUCLEAR UMBRELLA, AND AT SAME TIME KEEPS IT IMMUNE FROM UNEASY AWARENESS OF WEAPONS.

FORMER SECDEF LAIRD ACCEPTS YAMANAKA INVITATION TO VISIT JAPAN NEXT SPRING AS GUEST OF FOREIGN MINISTRY (REUTER TOKYO). KYODO SPECULATES GOJ PROBABLY INVITED LAIRD BECAUSE OF HIS CLOSE FRIENDSHIP WITH FORD (REUTER).

SINO-JAPAN OIL IMPORT COUNCIL ANNOUNCES IN TOKYO THAT PRC WILL SUPPLY JAPAN MINIMUM OF EIGHT MILLION METRIC TONS OF CRUDE OIL NEXT YEAR, COMPARED TO 4.5 MILLION METRIC TONS IN 1974 (REUTER). AGREEMENT WAS REACHED BETWEEN TWO JAPANESE OIL IMPORTERS AND CHINESE OIL MISSION WHICH RECENTLY VISITED JAPAN. COUNCIL ALSO ANNOUNCES THAT CHINESE AGREED TO LOWER PRICE ON CRUDE OIL SHIPPED TO JAPAN DURING LAST QUARTER THIS YEAR BY FIVE CENTS, TO 12.80 DOLLARS PER BBL.

CSM CARRIES REUTER REPORT FROM BONN THAT FRG BUREAU OF STATISTICS SURVEY SHOWED JAPAN HAD HIGHEST COST OF LIVING INCREASE (25.4 PERCENT) AMONG INDUSTRIAL NATIONS DURING YEAR ENDING AUGUST 31.

IN REPORT FROM WASHINGTON, REUTER SAYS US HAS LOST POSITION AS LEADING SUPPLIER OF WORLD BANK CONTRACTS TO JAPAN. US GOT 17 PERCENT OF 1.7 BILLION DOLS WB DISBURSED FOR GOODS AND SERVICES DURING FY ENDING JUNE 30, AND JAPAN 22 PERCENT. US LOST LEADING POSITION FOR FIRST TIME SINCE WB ORGANIZED IN 1946.

3. CHINA

BUSH ARRIVED IN PEKING MONDAY (UPI GLOBE, JOC; WSJ, WP). AFP (NYT) REPORTS ENVOY SAYING ON ARRIVAL THAT UNCLASSIFIED

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THERE WILL BE NO RADICAL CHANGES IN US' CHINA POLICY, AND NOTES HE WAS WELCOMED BY HEAD OF FOREIGN MINISTRY'S AMERICA-OCEANIC DEPT., LIN PING. KYODO SAYS BUSH TOLD NEWSMEN HE BELIEVES THERE IS NO MAJOR PENDING ISSUE BETWEEN US AND PRC BECAUSE THERE IS "NO TENSION BETWEEN CHINA AND TAIWAN" (CSM).

IN PEKING, REUTER'S SHARP QUOTES BUSH ALSO SAYING, "WE WOULD LIKE TO SEE CONTINUED IMPROVEMENT, AND THIS IS MY GOAL HERE. WE ARE GOING TO TRY." ADDED, "THERE IS NO GREAT TENSION MOUNTING" ON SUBJECT OF TAIWAN.

SHARP SAYS ENVOY DUCKED QUESTION ABOUT TIMETABLE FOR OPENING FULL DIPLOMATIC TIES, AND DENIED HE BORE PERSONAL MESSAGE FROM PRES FORD TO CHINESE LEADERS. BUSH SAID: "IT WOULD BE PROPER TO SUGGEST THERE WILL BE A CONTINUATION OF THE POLICY, A CONTINUATION OF THE QUEST FOR NORMALIZATION," UNDER FORD. "THERE WILL BE NO RADICAL SHIFT IN OUR CHINA POLICY, AND I KNOW THIS FROM TALKING" TO PRES. BUSH ALSO SAID HE DID NOT KNOW WHEN KISSINGER WILL VISIT PEKING NEXT.

SHARP HOLDS THAT DESPITE LACK OF FORMAL TIES, SINO-US TRADE "HAS SOARED" IN PAST TWO YEARS; LINE OF BOEING 707S RECENTLY PURCHASED BY PEKING WHICH BUSH PASSED WHEN HE LANDED WAS "STRIKING SYMBOL OF THIS" (OCT. 21).

IN CANTON, S-N'S BRADSHER REPORTS TRADE FAIR'S DEPUTY SECRETARY-GENERAL, PO CHU-SHENG, SAYING THAT IN LIGHT OF "MAJOR NEGOTIATIONS" NOW UNDERWAY HE EXPECTS FAIR TO BE SUCCESS. PO ALSO HINTED THAT CHINA EXPECTS TO USE INCREASED OIL EXPORTS TO PAY FOR INCREASED IMPORTS. BUT BRADSHER SAYS FOREIGN BUSINESSMEN IN CANTON ARE SKEPTICAL THAT SALES TO WEST WILL REACH RECORD LEVELS OF LAST YEAR, THOUGH CHINESE TRADE EXPERTS ARE MORE READILY ACCESSIBLE THAN IN PAST -- PROBABLY BECAUSE

OF GREATER DESIRE TO MAKE SALES. NUMBER OF FOREIGNERS THERE SO FAR APPEARS DOWN FROM PREVIOUS FAIRS, BUT SAME NUMBER OF AMERICANS -- BETWEEN 80-100, REPRESENTING 50-60 COUNTRIES -- HAVE COME, MOSTLY FROM SMALL COMPANIES (OCT. 21).

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JOC'S STRAUSS, IN HK, SAYS NEWLY-OBTAINED FIGURES INDICATE GREATER STRENGTH FOR PRC TRADE SECTOR THAN WAS FORMERLY APPRECIATED, AS REPORTS BEGIN TRICKLING BACK TO HK TRADING HOUSES ABOUT CANTON FAIR. NEW FIGURES SHOW PRC'S TRADE DEFICIT LAST YEAR WAS ONLY 80 MILLION DOLS AND TOTAL TRADE WAS HIGHER THAN PREVIOUSLY ESTIMATED -- 9.9 BILLION DOLS. SAYS THESE FIGURES ARE IMPORTANT BECAUSE SOME CORRESPONDENTS HAVE BEEN CRITICIZING FOREIGN TRADE MINISTER LI CHIANG FOR SAYING "CHINA BALANCES ITS INTERNATIONAL INCOME AND EXPENDITURES."

STRAUSS REPORTS PEKING DID ALLOW FIRST US CORRESPONDENT IN A YEAR TO COVER FAIR'S OPENING AND HK BRANCH OF AMERICAN CHAMBER OF COMMERCE SENT TWO REPS; BUT OFFICIALS OF US CONSULATE HK WERE NOT INVITED. TECHNICAL IMPORT-EXPORT CORP DID NOT SET UP OFFICE FOR SECOND SUCCESSIVE FAIR, INDICATING TENDENCY TO SCREEN POTENTIAL IMPORTS MORE CAREFULLY THAN USUAL.

VISITING BUSINESSMEN REPORT TECH IMPORT CORP. CONTINUES MORE INTERESTED IN US EQUIPMENT AND PUZZLED BY RELUCTANCE OF SOME POTENTIAL SUPPLIERS TO QUOTE FIRM PRICES.

UPI (HK) REPORTS DELEGATION OF US BUSINESSMEN JUST BACK FROM CHINA SAID MONDAY THAT PRC TRADE OFFICIALS WERE HIGHLY RECEPTIVE TO PLAN (URGED ON BEHALF OF AMERICAN CHAMBER OF COMMERCE IN HK AT CANTON FAIR) TO HELP NARROW TRADING GAP CURRENTLY 10-1 IN FAVOR OF US. PLAN PROPOSES THAT CHINA SUPPLY RAW MATERIALS AND PARTS TO US FIRMS AND SUBSIDIARIES MANUFACTURING IN HK, AND GROUP EXPECTS TO HAVE MORE TALKS ON PROPOSAL IN CHINA NEXT MONTH (STRAUSS AND WP'S GREENWAY HAVE SAME STORY).

TORONTO GLOBE AND MAIL'S BURNS, IN PEKING, FINDS EVERY PASSING WEEK BRINGING "FRESH EVIDENCE" OF TENG HSIAO-PING'S GROWING POLITICAL STATURE. SAYS DIPLOMATS WHO HAVE PARTICIPATED IN TENG'S MEETINGS WITH VISITING GOVT LEADERS IN RECENT MONTHS SPEAK OF HIS SELF-ASSURANCE AND CONTRAST IT WITH APPARENT UNEASINESS HE DISPLAYED ON PUBLIC OCCASIONS IN

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MONTHS IMMEDIATELY AFTER HIS RETURN FROM POLITICAL DISGRACE 18 MONTHS AGO. PLANS APPARENTLY ARE AFOOT TO INCREASE TENG'S STATURE ON INTERNATIONAL SCENE WITH VISITS ABROAD NEXT YEAR. BURNS TERMS TENG'S CLIMB BACK TO INNER CIRCLE ONE OF MOST EXTRAORDINARY SAGAS OF CONTEMPORARY CHINESE POLITICS (CSM).

PRC RENEWED ITS DEMAND FRIDAY THAT WORLD BANK REMOVE TAIWAN -- "HANDFUL OF NATIONAL SCUM" -- FROM BANK AND ITS AFFILIATED ORGANIZATIONS (LAT OCT. 19).

AP (TAIPEI) REPORTS SOURCE CLOSE TO TAIWAN OIL INDUSTRY SAYING ROC WILL JOINTLY ANNOUNCE WITH TWO US OIL COMPANIES THEIR OIL DISCOVERIES IN TAIWAN STRAIT AT END OF OCT. SOURCE REVEALED THAT "TOP EXECUTIVES" FROM CONTINENTAL OIL AND AMERICAN OIL WILL BE IN TAIPEI TO ANNOUNCE WITH CHINA PETROLEUM CORP DISCOVERY OF WELL LOCATED W-SW OF KAOSHIUNG (LAT OCT. 20).

4. AUSTRALIA

DEFENSE REPORT SUBMITTED TO PARLIAMENT TUESDAY SAID GOA SEES NO SHORT-TERM STRATEGIC THREAT AND THEREFORE HAS NO IMMEDIATE PLANS TO INCREASE ARMED FORCES' STRENGTH (REUTER CANBERRA).

TEN-YEAR METRIC CONVERSION PROGRAM WILL BE 75-PCT

COMPLETE BY 1976 ACCORDING TO METRIC CONVERSION BOARD, THAT ALSO REPORTS LITTLE PUBLIC DIFFICULTY WITH CONVERSION SO FAR (REUTER CANBERRA).

5. GENERAL

DOD ANNOUNCES SOVIETS HAVE FIRED ICBM INTO PACIFIC, POSSIBLY OPENING NEW TEST SERIES. RUSSIANS ANNOUNCED THAT THEY PLAN TEN DAYS OF TESTING INTO AREA ABOUT 400 MILES NORTH OF MIDWAY (AP, WP).

NYT LISTS TOP RICE GROWERS AND EXPORTERS BASED ON 1974-5 PROJECTED CROP. PRODUCERS ARE CHINA - 103.0 UNCLASSIFIED

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METRIC TONS; INDIA - 61.0; INDONESIA - 22.3; BANGLADESH - 19.9; THAILAND - 13.9; JAPAN - 15.2; BURMA - 8.1; BRAZIL - 6.6; SK - 5.9; AND US - 5.1.

EXPORTERS ARE US - 1.8; CHINA - 1.3; THAILAND - 1.2;
PAKISTAN - .6; JAPAN - .3; AND BURMA - .2.

LAT'S LESLIE (10/21) FROM NEW DELHI WRITES OF RESURGENCE
OF MALARIA IN ASIA, WHERE IT WAS ONCE ALMOST WIPED
OUT. QUOTES WHO RESOLUTION ON PROBLEM THAT CITES
RECRUDESCENCE OF EPIDEMIC MALARIA IN SEVERAL COUNTRIES
INCLUDING BURMA, INDONESIA, AND THAILAND. RESOLUTION
BLAMES INADEQUATE AND DELAYED SUPPLY OF INSECTICIDES,
PARTICULARLY DDT, WHICH IN TURN IS DUE TO LOW
MANUFACTURING CAPACITY WITHIN REGION, AND PROHIBITIVE
COST AND LIMITED SUPPLY FROM DEVELOPED COUNTRIES.
WHO NO LONGER HOPES TO ERADICATE MALARIA IN AREA,
BUT TO BRING IT DOWN TO BEARABLE LEVELS BECAUSE COUNTRIES
CAN'T AFFORD ERADICATION PROGRAMS. LESLIE NOTES THAT
OFFICIALS THROUGHOUT REGION ARE CONCERNED AT POTENTIAL
ECON IMPACT OF SPREAD, SINCE MALARIA-PRONE RECENTLY-
OPENED AGRIC LANDS MAY HAVE TO BE ABANDONED. OFFICIALS
ALSO AFRAID THAT VIRULENT FORM MAY BE SPREADING.

COMMENT AND ANALYSIS

6. INDOCHINA

S-N'S BRADSHER (OCT. 21) BEGINS SERIES OF FOUR ARTICLES
ON INDOCHINA AFTER RECENTLY COMPLETING MONTH-LONG
TOUR THERE. FINDS FEELING OF GLOOM DEEPENING AS
GOVT OFFICIALS, POLITICALLY AWARE CITIZENS AND DIPLOMATS
WONDER WITH GROWING CONCERN WHETHER INDOCHINA IS MOVING
WITH ACCELERATING SPEED TOWARD EVENTUAL COMMUNIST
CONTROL. SAYS, HOWEVER, THAT CONCERN STILL FALLS
CONSIDERABLY SHORT OF DESPERATION, DESPAIR OR SENSE OF

INEVITABILITY; COLLAPSE OF ANTI-COMMUNIST MORALE IS NOT
IN SIGHT, BUT THERE IS DISTINCT EBBING OF CONFIDENCE
IN LONG-TERM PROSPECTS.

OBSERVES THAT WITH US SUPPORT DWINDLING, GVN, GKR
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AND PGNU ARE CAUGHT BETWEEN CONTINUING COMMUNIST
PRESSURE AND THEIR OWN INABILITY TO GENERATE GREATER
INTERNAL STRENGTH. NO ONE KNOWS JUST WHERE THRESHOLD
LIES AT WHICH US MIL AND ECON AID WILL BE TOO LOW TO
KEEP THREE INDOCHINA GOVTS VIABLE, SINCE COMPUTING
DOLLAR FIGURE FOR EACH IS COMPLICATED BY UNSTABLE
LOCAL FACTORS, VARYING DEGREES OF CORRUPTION AND WASTAGE,
AND DELIBERATE EXAGGERATION OF NEED IN ORDER TO PROVIDE
MARGIN FOR CUTS. THERE IS ALSO PSYCHOLOGICAL FACTOR
OF MAINTAINING CONFIDENCE IN EACH COUNTRY. FEELING IS

WIDESPREAD THAT US PUBLIC AND CONGRESS MISJUDGE THRESHOLD, OR SIMPLY DO NOT CARE. BUT HOW REAL AND DIRECT IS TIE BETWEEN AID CUTS AND ABILITY OF THESE GOVTS TO SURVIVE IS OPEN TO DEBATE. HOWEVER, GENERAL ATTITUDE AND OFFICIAL POSTURE AMONG GOVT MINISTERS AND DIPLOMATS IS THAT WHILE INFLATION IS PUSHING UP THRESHOLD, CONGRESS IS GOING OPPOSITE DIRECTION. REPORTS DIPLOMATS BEING MORE OPEN IN THEIR SPECULATION ABOUT FUTURE THAN LOCAL PEOPLE, WITH MANY WONDERING ALOUD WHETHER THREE INDOCHINESE COUNTRIES ARE ALREADY ON INEVITABLE SLIDE INTO COMMUNIST CONTROL, AND HOW LONG IT WILL TAKE.

SUN EDITORIALIZES ON SVN PROTEST DEMONSTRATIONS, NOTING THAT ONLY TWO MONTHS AGO THIEU SEEMED STILL AT HEIGHT OF HIS POLICE-STATE POWERS. ATTRIBUTES CHANGE TO THIEU HAVING BEEN WARNED BY US EMBASSY THAT ANY DISPLAY OF HARSH STRONGARM METHODS WOULD SO OUTRAGE CONGRESS THAT MIL/ECON AID WOULD BE SLASHED EVEN MORE DEEPLY, AND TO VIETS' GROWING INTOLERANCE OF CORRUPTION.

VIEWS, AS MOST STRIKING THING ABOUT CURRENT WAVE OF PROTEST, PART PLAYED BY CONSERVATIVE RC ANTI-CORRUPTION GROUPS, WHICH FEEL HANOI AND VC CAN BE OVERCOME ONLY IF VIETS ARE MORE CONTENT WITH THEIR GOVT. NOTES EMERGENCE OF RC OPPOSITION TO THIEU HAS BEEN ACCOMPANIED BY MORE RESISTANCE ON BUDDHISTS' PART. SUN QUESTIONS REAL POTENCY OF PROTESTS, SINCE NO CREDITABLE CIVILIAN ALTERNATIVE TO THIEU'S REGIME HAS EMERGED. SAYS RCS AND BUDDHISTS ARE BY NO MEANS UNIFIED, AMONG THEMSELVES OR WITH EACH OTHER, AND OLDLINE POLITICAL FIGURES ARE KEEPING THEIR HEADS SO LOW AS TO REMAIN INVISIBLE.

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EXPECTS THAT IF THIEU SHOULD BE OVERTHROWN, COUP WOULD BE ENGINEERED BY ANOTHER MILITARY CLIQUE.

CONCLUDES THAT AS UNREST CRESCENDOES IN SVN, US AS USUAL IS LACKING ANY DEFINABLE, LONG-RANGE POLICY.

S-N'S ARBUCKLE (OCT. 21), ON BOARD CONVOY CARRYING SUPPLIES FROM SAIGON TO PP, DESCRIBES EXCHANGES OF FIRE BETWEEN ESCORTING KHMER NAVY GUNBOATS AND ON-SHORE COMMUNIST FORCES, WHICH CAUGHT CONVOY IN THREE-WAY AMBUSH TWO HOURS INTO CAMBODIA. CONVOY HIT AGAIN MIDWAY BETWEEN CAMBODIAN NAVY BASE AT NEAK LUONG AND PP. ARBUCKLE NOTES CONVOY SHOWED POOR DISCIPLINE, CAPTAINS BREAKING ORDERS GIVEN BY CAMBODIAN NAVY COMMANDER TO STAY IN THEIR ASSIGNED PLACES WHILE UNDER FIRE. ATTRIBUTES THIS TO FACT CONVOY CAPTAINS

ARE NOT REAL SHIP'S OFFICERS' FOR MOST PART, THEY BOUGHT PANAMANIAN LICENSES AT PANAMA CONSULATE IN HK. HOWEVER, CONVOY REACHED DESTINATION BATTERED BUT WITHOUT HAVING LOST MAN OR SHIP.

ARBUCKLE COMMENTS THAT NOT ALL WEEKLY CONVOYS ARE ATTACKED AS HEAVILY AS ONE HE ACCOMPANIED, NOTING THAT SOME COME THROUGH WITHOUT BEING FIRED ON AT ALL AND WITH CLEAR RUN BECOMING MORE FREQUENT. ATTRIBUTES IMPROVEMENT TO CAMBODIAN NAVY'S INCREASED EFFICIENCY. SAYS GUNBOATS SHOW INCREASED WILLINGNESS TO SLUG IT OUT WITH COMMUNISTS AND NAVY MARKSMANSHIP APPEARED EXCELLENT. ALSO, GKR IS INCREASINGLY GAINING CONTROL OF RIVER BANKS.

7. CHINA

LAT'S ELEGANT (OCT. 21) IN TAIPEI DISCUSSES FREEDOM IN 'FREE CHINA.' FINDS PEOPLE ON TAIWAN CAN SAY PRETTY MUCH WHAT THEY PLEASE - SO LONG AS NOT IN PUBLIC. THERE CAN BE NO PUBLIC DISAGREEMENT WITH BASIC DOGMAS, LIKE INTEGRITY OF CHINA, RECTITUDE OF NATIONALIST GOVT OR INIQUITY OF COMMUNISTS. BUT SCHOLARS FREELY DISCUSS MOST SENSITIVE ISSUE, CHINESE COMMUNIST UNCLASSIFIED

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REGIME - DEGREE OF FREEDOM NOT APPARENT ON TAIWAN JUST FEW YEARS AGO. MOREOVER, CHINESE SCHOLARS ARE STARTLINGLY UNIFORM IN THEIR OPINIONS WHEN ABROAD.

SURPRISING FREEDOM OF EXPRESSION PREVAILS IN UPPER LEVELS OF GOVT. CABINET MINISTERS AND SENIOR CIVIL SERVANTS MAKE NO ATTEMPT TO HEW TO ANY POLITICAL LINE BUT SPEAK MORE CANDIDLY TO VISITORS THAN WILL THEIR COUNTERPARTS IN PHILS OR MALAYSIA. ALSO, TAIPEI DOES NOT IMPOSE RIGID LIMITATIONS ON ADMISSION AND

MOVEMENTS OF FOREIGN CORRESPONDENTS THAT PEKING DOES. THERE ARE POLITICAL PRISONERS ON TAIWAN - PERHAPS HALF OF 100-ODD JAILED BECAUSE OF SHARP CONFRONTATIONS WITHIN RANKS OF KMT ITSELF. HOWEVER, THESE PRISONERS LIVE UNDER LENIENT HOUSE ARREST AND FEW HAVE BEEN JAILED CAPRICIOUSLY.

IF PUNISHMENT FOR POLITICAL OFFENSES IS RIGOROUS, TAIWAN IS REMARKABLY FREE ON ECON FRONT. AS RESULT, TAIWANESE OWN LION'S SHARE OF ISLAND'S WEALTH. IN EARLY DAYS, CORRUPT NATIONALIST OFFICIALS USED THEIR POSITIONS TO ENRICH THEMSELVES AS THEY HAD ON MAINLAND. TODAY, FEW DO, AND HARDLY ANY CAN ON LARGE SCALE.

PETTY CORRUPTION IS WIDESPREAD BUT HARDLY MORE SO THAN IN NY OR CHICAGO. NATIONALISTS REALIZE THAT LETTING TAIWANESE GET RICH IS BEST GUARANTEE OF POLITICAL STABILITY. FEW TAIWANESE HAVE PENETRATED UPPER REACHES OF "NATIONAL GOVERNMENT," BUT TAIWANESE OFFICIALS AND ELECTED REPS ARE NUMEROUS IN LOCAL GOVTS AND PROVINCIAL ADMIN. ULTIMATELY NATIONALISTS WILL TOLERATE NOTHING THAT IN ANY WAY THREATENS THEIR CONTROL OF TAIWAN. OTHERWISE, ELEGANT CONCLUDES, TAIWAN COMES SOMEWHERE SLIGHTLY TO NEGATIVE SIDE OF CENTER ON ANY SCALE OF RELATIVE FREEDOM IN ASIA.

8. JAPAN

S-N (OCT 21) REFERS TO MITI VICE MINISTER YAMASHITA'S REMARK THAT AS JAPAN TRIES TO BEAT DOWN 25 PERCENT INFLATION RATE, "KIND OF DEPRESSION WILL COME IN 1975."
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NOTES YAMASHITA IS TALKING ABOUT AN ECONOMY THAT IS SUFFERING SLIGHT SHRINKAGE OF REAL OUTPUT THIS YEAR, BUT IS EXPECTED TO RECOVER MODEST RATE OF GROWTH NEXT YEAR. THIS IS DRASTIC CHANGE FROM FAST GROWTH RATE THAT CHARACTERIZED JAPAN'S POSTWAR "ECONOMIC MIRACLE" BUT IS NOT WHAT AMERICANS WOULD CALL ;DEPRESSION." JAPAN'S UNEMPLOYMENT RATE IS UP FROM 1 PERCENT TO ONLY ABOUT 1.5 PERCENT OF WORK FORCE - FAR SHORT OF AMERICAN JOBLESS RATE OF 5.8 PERCENT; AND US LEADERS, AFTER THREE QUARTERS OF "NEGATIVE GROWTH," REFUSE TO CONCEDE EXISTENCE OF EVEN MILD RECESSION. BY ACCENTING NEGATIVE, JAPANESE OFFICIALS PERHAPS SEEK TO ALLAY RESENTMENT OF THEIR SUCCESS IN WORLD TRADE AND FIND MORE FAVOR ABROAD. BUT S-N FEELS THERE SHOULD BE MORE REALISTIC MIDDLE GROUND BETWEEN GLOOM OF YAMASHITA AND SEE-NO-EVILISM OF COMMERCE SEC. DENT, WHO USES OPTIMISTIC EUPHEMISMS LIKE "SIDEWAYS WAFFLING" FOR ONSET OF ECON DISTRESS.

CHITRIB'S DON KIRK IN TOKYO WRITES ABOUT US-JAPAN RELATIONS, FINDING JAPANESE AND AMERICANS NOW APPEAR HAPPIER ABOUT RELATIONS BETWEEN THE TWO COUNTRIES THAN THEY AHVE BEEN IN YEARS.

9. KOREA

LAT'S JAMESON (OCT 21) IN TOKYO REPORTS NK DELEGATION TO INTERNATIONAL PARLIAMENTARY UNION CONFERENCE OFFERING LITTLE HOPE THAT PYONGYANG GOVT IS WILLING TO ENGAGE IN MEANINGFUL EXCHANGE WITH EITHER US OR SK. NOTES THAT WHILE STRESSING DESIRE FOR REUNIFICATION WITH SK, NK

DELEGATES SPENT MOST OF THEIR TIME ATTACKING SK AND STOPPING ONLY ONE STEP SHORT OF CALLING FOR PARK'S OVERTHROW. HOWEVER, OBSERVES SKS AND AMERICANS WERE ABLE TO CHAT WITH NKS AT RECEPTION AND SKS EVEN RECEIVED AMICABLE TREATMENT IN PERSONAL CONTACTS. OFFICIAL LINE, HOWEVER, WAS HARD AS ROCKS. CITES KIM YONG NAM, DIRECTOR OF INTERNATIONAL DEPT OF NKWP, SPEAKING OUT POSITION -- IN FIRST APPEARANCE EVER BY N KOREANS AT FOREIGN CORRESPONDENTS CLUB -- THAT NK WOULD PROMISE NOTHING UNTIL DEMOCRACY RESTORED IN SK AND ALL US TROOPS WITHDRAWN.
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KIM SAID NK HAS NO INTENTION OF ATTACKING SK AND INSISTED US SHOULD WITHDRAW ALL ITS TROOPS; BUT KIM ADDED: "IF ANY PROBLEMS SHOULD ARISE AFTER THE WITHDRAWAL OF US TROOPS, IT IS NOT A QUESTION TO BE SOLVED BY INTERVENTION OF OUTSIDE FORCES. IT WOULD BE A QUESTION FOR THE KOREAN PEOPLE TO DECIDE."

JAMESON SAYS SAME SORT OF "DEAL" WAS OFFERED IN CASE OF PYONGYANG'S DEMAND THAT UN FLAG BE WITHDRAWN FROM US TROOPS IN KOREA. KIM SAID SIGNATORIES TO KOREAN ARMISTICE AGREEMENT ARE "DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND THE UN FORCES - MORE PRECISELY, THE UNITED STATES UNDER THE NAME OF THE UNITED NATIONS. WHEN UNITED NATIONS FORCES ARE WITHDRAWN, THE ARMISTICE AGREEMENT WOULD AUTOMATICALLY DISAPPEAR WITH THEM." SEPARATE PEACE AGREEMENT WITH US, SUCH AS NK PROPOSED TO US CONGRESS LAST MARCH, WOULD REPLACE ARMISTICE, HE ADDED. WHERE ALL THIS WOULD LEAVE SK WAS POINT KIM FAILED TO TOUCH ON, JAMESON COMMENTS.

NOTES KIM INDICATING NK HAS LITTLE DESIRE FOR EXCHANGE WITH US EVEN ON UNOFFICIAL LEVEL. ASKED IF CONGRESSMEN CRITICAL OF PARK GOVT MIGHT BE WELCOMED TO VISIT NK, KIM SAID NONE OF THEM HAS ASKED FOR VISAS, ADDING THAT NK "MIGHT" RESPOND IF REQUEST MADE. ON VISITS OF US NEWSMEN, KIM PULLED OUT WHAT HE CALLED "PRINCIPLE OF RECIPROCITY" TO MAKE CLEAR NK IS NO LONGER WILLING TO

REPEAT EXPERIMENT TRIED IN "PING-PONG DIPLOMACY" DAYS OF 1971 WHEN TWO US NEWSPAPERS WERE ALLOWED TO SEND JOURNALISTS TO NK.

OFFICIAL ATTITUDE TOWARD SK ALSO NOT ENCOURAGING. DESPITE 1972 AGREEMENT TO OPEN OFFICIAL NORTH-SOUTH TALKS AIMED AT WORKING TOWARD REUNIFICATION - ACT THAT CARRIED IMPLICIT RECOGNITION OF SEOUL GOVT - KIM STATED THAT PYONGYANG CONSIDERS SK AUTHORITIES NOT "LEGITIMATE REPRESENTATIVES OF THE PEOPLE OF SOUTH KOREA." KISSINGER

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